

HB 4042-1
(LC 286)
1/30/24 (ASD/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND SMALL BUSINESS
(at the request of City of North Plains)

**PROPOSED AMENDMENTS TO
HOUSE BILL 4042**

1 On page 1 of the printed bill, line 2, delete “and 285C.050” and insert “,
2 285C.100 and 285C.185”.

3 On page 9, delete lines 14 through 45.

4 Delete pages 10 and 11 and insert:

5 **“SECTION 15.** ORS 285C.100 is amended to read:

6 “285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated
7 for electronic commerce if the city:

8 “(a) By resolution of the governing body of the city, declares itself a city
9 designated for electronic commerce;

10 “(b) As of January 1, 2002, has a population of more than 1,500 but less
11 than 2,000;

12 “(c) Is located less than 25 miles from a city with a population of more
13 than 500,000; and

14 “(d) Is located less than 10 miles from a city with a high concentration
15 of high technology firms and with a population that, as of January 1, 2002,
16 does not exceed 85,000.

17 “(2) Only one city may be designated for electronic commerce under this
18 section, and that designation shall be made without consideration of the
19 numeric limits imposed by ORS 285C.095.

20 “(3)(a) A city does not need to sponsor an enterprise zone to be designated
21 for electronic commerce under this section.

1 “(b) The governing body of a city designated for electronic commerce
2 under this section does not need to comply with the requirements of ORS
3 285C.067 or 285C.090, but the governing body must take all actions that are
4 required of a sponsor of a rural enterprise zone under ORS 285C.050 to
5 285C.250 with respect to business firms seeking exemption under ORS
6 285C.175.

7 “(c) A business firm that is engaged in electronic commerce **or**
8 **semiconductor-related development activities** at a location inside a city
9 designated for electronic commerce under this section and that seeks an ex-
10 emption under ORS 285C.175 must take all actions required of a qualified
11 business firm under ORS 285C.050 to 285C.250, except that the business firm
12 does not need to be located within an enterprise zone.

13 “(d) A business firm described in paragraph (c) of this subsection:

14 “(A) Shall be an eligible business firm, the qualified property of which is
15 exempt from taxation under ORS 285C.175 as if the qualified property were
16 located in an enterprise zone under ORS 285C.095, **or if the qualified**
17 **property is used in semiconductor-related development activities;** and

18 “(B) May claim the tax credit under ORS 315.507.

19 “(4) Designation of a city for electronic commerce under this section is
20 not final until a positive determination in favor of the city has been made
21 by the Oregon Business Development Department under ORS 285C.102.

22 “(5) For the purpose of determining the boundaries of a city designated
23 for electronic commerce, ‘city’ includes:

24 “(a) Territory that is annexed into the city, as of the date of the
25 annexation;

26 “(b) Land within the urban growth boundary of the city; and

27 “(c) Territory that is added to the urban growth boundary described in
28 paragraph (b) of this subsection, as of the date the urban growth boundary
29 is extended to such territory.

30 **“SECTION 16.** ORS 285C.185 is amended to read:

1 “285C.185. (1) In order for property to be qualified property under ORS
2 285C.180, the property must cost:

3 “(a) \$50,000 or more, in the case of:

4 “(A) All real property that is concurrently exempt at the location; or

5 “(B) An item of personal property that is not described in paragraph (b)
6 of this subsection.

7 “(b) \$1,000 or more, in the case of an item of personal property that is
8 used:

9 “(A) Exclusively in the production of tangible goods; [*or*]

10 “(B) In electronic commerce in an enterprise zone approved for electronic
11 commerce designation under ORS 285C.095; **or**

12 “(C) **In semiconductor-related development activities in a city des-**
13 **ignated for electronic commerce.**

14 “(2) The estimated cost of property set forth in an application for au-
15 thorization under ORS 285C.140 shall be disregarded for purposes of deter-
16 mining if property is qualified property.

17 “(3) Property that is leased by the authorized business firm may be qual-
18 ified property under ORS 285C.180 only if the terms of the lease provide:

19 “(a) During the term of the lease, that the authorized business firm is to
20 compensate the owner of the leased property for all property taxes assessed
21 against the leased property or that the firm is to pay these taxes; and

22 “(b) That the term of the lease begins on or before the start of the first
23 tax year for which the property is exempt and ends on or after the last day
24 of the last tax year for which the property is exempt.

25 “(4) In order for property that is owned or leased by an authorized busi-
26 ness firm operating a hotel, motel or destination resort to be qualified
27 property under ORS 285C.180, the property must be:

28 “(a) Located and in service in an enterprise zone of a sponsor or in the
29 jurisdiction of a restricted city or county cosponsor that has elected under
30 ORS 285C.070 to treat a business firm engaged in hotel, motel or destination

1 resort operations as an eligible business firm;

2 “(b) Located at the same site as the hotel, motel or destination resort or
3 in close proximity to that site; and

4 “(c) Used primarily to serve overnight guests of the hotel, motel or des-
5 tination resort. Property is used primarily to serve overnight guests if at
6 least 50 percent of any receipts from use of the property are paid by over-
7 night guests.

8 “(5) In order for property owned or leased and operated by a business firm
9 engaged in electronic commerce [*in*] **or in semiconductor-related devel-**
10 **opment activities inside** a city designated for electronic commerce under
11 ORS 285C.100 to be qualified property, the property otherwise qualified under
12 this section and the applicable electronic commerce operations **or**
13 **semiconductor-related development activities** of the firm must be located
14 in that city.

15 “(6)(a) As used in this section, ‘item of personal property’ includes an
16 integrated system consisting of various components.

17 “(b) Consistent with paragraph (a) of this subsection, the Department of
18 Revenue may by rule further define what constitutes an item of personal
19 property for purposes of this section.

20 **“SECTION 17. The amendments to ORS 285C.100 and 285C.185 by**
21 **sections 15 and 16 of this 2024 Act apply to property tax years begin-**
22 **ning on or after July 1, 2025.**

23 **“SECTION 18. The section captions used in this 2024 Act are pro-**
24 **vided only for the convenience of the reader and do not become part**
25 **of the statutory law of this state or express any legislative intent in**
26 **the enactment of this 2024 Act.**

27 **“SECTION 19. This 2024 Act takes effect on the 91st day after the**
28 **date on which the 2024 regular session of the Eighty-second Legislative**
29 **Assembly adjourns sine die.”.**

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